

ENTERED

January 06, 2025

Nathan Ochsner, Clerk

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)
) Chapter 11
)
FIELDWOOD ENERGY III LLC, <i>et al.</i> ,) Case No. 20-33948 (MI)
)
Post-Effective Date Debtors. ¹) (Jointly Administered)
)

**STIPULATION AND AGREED ORDER BY AND BETWEEN THE PLAN
ADMINISTRATOR AND RLI INSURANCE COMPANY RESOLVING CLAIMS**

David Dunn, the administrator of the chapter 11 plan (the “Plan Administrator”) of the above-captioned post-effective date debtors (the “Post Effective Date Debtors”, and prior to the effective date of the Plan (defined below), as applicable, the “Debtors”) and claimant RLI Insurance Company (“RLI”, and together with the Plan Administrator, the “Parties”) hereby enter into this stipulation and agreed order (this “Stipulation and Agreed Order”) and stipulate and agree as follows:

WHEREAS, on August 3, 2020 and August 4, 2020, (the “Petition Dates”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

WHEREAS, on June 25, 2021, the Bankruptcy Court entered the *Findings of Facts, Conclusions of Law, and Order Confirming Eighth Amended Joint Chapter 11 Plan of*

¹ The Post-Effective Date Debtors, along with the last four digits of each Post-Effective Date Debtor’s federal tax identification number, as applicable, are: Fieldwood Energy III LLC (6778); Fieldwood Energy Offshore LLC (4494), Fieldwood Energy Inc. (4991), GOM Shelf LLC (8107), and FW GOM Pipeline, Inc. (8440). Fieldwood Energy III LLC, Fieldwood Energy Offshore LLC, and Fieldwood Energy Inc. are managed and operated by the Plan Administrator, whose primary mailing address is 16255 Ventura Blvd., Suite 440, Encino, CA, 91436, C/O of Province LLC. GOM Shelf LLC and FW GOM Pipeline, Inc. (collectively, the “Post-Effective Date FWE I Subsidiaries”) are managed and operated by Jon Graham, as sole manager of each Post-Effective Date FWE I Subsidiary. The Debtors in the other nine pending chapter 11 cases (which continue to be jointly administered with the cases of the Post-Effective Date Debtors), each of which has either been dissolved or merged into other entities as of the Effective Date, consist of the following: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

Fieldwood Energy LLC and Its Affiliated Debtors [Docket No. 1751] confirming, as modified therein, the *Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors* (the “Plan”).²

WHEREAS, on August 27, 2021, the effective date of the Plan occurred (the “Effective Date”) and the Debtors filed the *Notice of (I) Entry of Order Confirming Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors and (II) Occurrence of Effective Date* [Docket No. 2016], and David Dunn of Province, Inc. was appointed to serve as the Plan Administrator pursuant to the Plan.

WHEREAS, RLI filed the following unsecured and administrative claims related to certain surety bonding and related indemnity agreements (collectively the “Claims”):

<u>Claim No.</u>	<u>Filed Date</u>	<u>Creditor</u>	<u>Debtor</u>	<u>Type of Claim</u>
813	11/25/2020	RLI Insurance Company	Fieldwood Energy LLC	Unsecured Claim
1116	3/25/2022	RLI Insurance Company	Fieldwood Energy Offshore LLC	Administrative Claim

WHEREAS, to fully resolve the Claims, subject to approval of the Bankruptcy Court, the Parties have agreed to enter into and jointly submit this Stipulation and Agreed Order.

NOW, THEREFORE, IT IS STIPULATED AND AGREED TO BY THE PARTIES, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION AND AGREED ORDER, IT IS SO ORDERED AS FOLLOWS:

1. The above recitals are incorporated herein by reference with the same force and effect as if fully set forth hereinafter.
2. To fully resolve Claim 813, the Parties stipulate and agree that Claim 813 shall be allowed as a Class 6B General Unsecured Claim in the amount of \$51,490,093.89.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

3. To fully resolve administrative Claim 1116, the Parties stipulate and agree that Administrative Claim 1116 shall be allowed in the amount of \$519,049.53. The administrative claim shall be payable on a *pro rata* basis with any other current allowed and unpaid administrative claims, or pending administrative claims which may become allowed administrative claims; provided however, such *pro rata* payments shall be subject to the Plan Administrator's receipt of funds which may be used for payment of administrative expense claims and are not subject to any liens or otherwise ear-marked or designated for a specific purpose, such as for example the funds which are subject to the Court's *Order Granting Plan Administrator's Emergency Motion for Authority to Sell Certain Assets of Post-Effective Date Debtor Fieldwood Energy III, LLC* (Docket No. 2732), which provides that the funds comprising the net proceeds from the sale "shall be preserved by Fieldwood Energy III, LLC for the benefit of holders of Allowed General Unsecured Claims (as defined in the Plan) and not expended for administrative purposes."

4. For the avoidance of doubt, nothing in this Stipulation and Agreed Order shall be construed as waiver of the Parties' rights against any person not expressly released herein. Nothing in this Stipulation shall impair, alter or effect RLI's rights, including rights of subrogation, against any third parties, including, but not limited to, under the bonds and related agreements. Accordingly, RLI reserves any and all rights it has, whether now or in the future, against all such third parties.

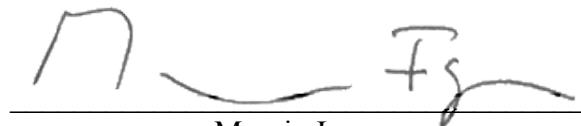
5. Omitted.

6. The Parties agree that the claim register shall be updated to reflect the terms of this Stipulation and Agreed Order.

7. The Bankruptcy Court retains the exclusive jurisdiction and power to interpret and enforce the terms of this Stipulation and Agreed Order.

IT IS SO ORDERED.

Signed: January 06, 2025



Marvin Isgur
United States Bankruptcy Judge

AGREED TO FORM AND SUBSTANCE:

Dated: January 6, 2025

/s/ Aaron Guerrero

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Counsel for RLI Insurance Company

CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of January, 2025 a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/Aaron Guerrero
Aaron Guerrero